



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

OCT 21 2016

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Skelley
Gerdau Ameristeel
1678 Red Rock Road
St. Paul, Minnesota 55119

Re: Notice of Violation
Gerdau Ameristeel
St. Paul, Minnesota

Dear Mr. Skelley:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation and Finding of Violation (NOV/FOV) to Gerdau Ameristeel (Gerdau or you) under Section 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. § 7413(a)(1) and (3). We find that you have violated the Minnesota State Implementation Plan and Title V of the Clean Air Act and its implementing regulations at your St. Paul, Minnesota facility.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Cindy Schafer. You may call her at (312) 353-3018 to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edward Nam", is written above the typed name.

Edward Nam
Acting Director
Air and Radiation Division

Enclosure

cc: Sarah Kilgriff, Manager, Land and Air Compliance, Minnesota Pollution Control Agency

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

Gerdau Ameristeel US Inc – St. Paul Mill
St. Paul, Minnesota

Proceedings Pursuant to
Section 113(a)(1) of the
Clean Air Act, 42 U.S.C.
§ 7413(a)(1)

**NOTICE AND FINDING OF
VIOLATION**

EPA-5-17-MN-01

NOTICE OF VIOLATION AND FINDING OF VIOLATION

The U.S. Environmental Protection Agency (EPA) is issuing this Notice of Violation and Finding of Violation under Section 113(a)(1) and (3) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(1) and (3). EPA finds that Gerdau Ameristeel US Inc – St. Paul Mill (Gerdau) is violating the Minnesota State Implementation Plan (SIP) and provisions of its Title V permit, as follows:

STATUTORY AND REGULATORY BACKGROUND

Minnesota's State Implementation Plan

1. Section 110 of the CAA, 42 U.S.C. § 7410, requires each state to adopt and submit to EPA a plan that provides for the implementation, maintenance, and enforcement of primary and secondary National Ambient Air Quality Standards in the state. Upon approval by EPA, the plan becomes part of the applicable State Implementation Plan (SIP) for the state.
2. On May 24, 1995, EPA approved Chapters 7007 and 7011 as part of the federally enforceable SIP for Minnesota, with an effective date of July 24, 1995. 60 Fed. Reg. 27411. On May 18, 1999, EPA approved revisions to Chapters 7007 and 7011 as part of the federally enforceable SIP for Minnesota. 64 Fed. Reg. 26880.
3. Minnesota Rule 7011.0715, Subpart 1(B) states that “no owner or operator of any industrial process equipment which was not in operation before July 9, 1969, shall cause to be discharged into the atmosphere from the industrial process equipment any gases which exhibit greater than 20 percent (%) opacity.”
4. Minnesota Rule 7007.0800, Subpart 2 states, in part, that “the permit shall include emissions limitations, operational requirements, and other provisions needed to ensure compliance with all applicable requirements at the time of permit issuance.”
5. Minnesota Rule 7007.0800, Subpart 14 states, in part, that “the permit may specify operating and maintenance requirements for each piece of control equipment.”

Title V Requirements

6. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), provides that it is unlawful to violate any requirement of a permit promulgated under Title V of the Act. EPA first promulgated regulations governing state operating permit programs on July 21, 1992. *See* 57 Fed. Reg. 32295; 40 C.F.R. Part 70.
7. 40 C.F.R. § 64.3 requires, in part, Title V permits to contain monitoring requirements relating to the operation of a control device sufficient to provide reasonable assurance of compliance with applicable emission limitations or standards.
8. EPA approved Minnesota's Title V operating program on an interim basis on June 16, 1995 and fully approved the program on December 1, 2001. *See* 57 Fed. Reg. 31637, and 66 Fed. Ref. 62967. Minnesota's Title V operating permit program regulations are codified at Minn. R. 7007 and are federally enforceable pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413a(3).

FINDINGS OF FACT

9. Gerdau owns and operates a steel mini-mill at 1678 Red Rock Road, St. Paul, Minnesota.
10. On August 28, 2008, the Minnesota Pollution Control Agency (MPCA), issued Title V Permit No. 12300055-004 (the "Title V Permit") to Gerdau for the operations at its St. Paul facility.
11. Emissions from Gerdau's auto shredding operations are subject to the opacity limitations in the post-1969 industrial process equipment rule in the Minnesota SIP at Minnesota Rule 7011.0715, Subpart 1(B).
12. Emissions from Gerdau's auto shredding operations are required by the Title V Permit to have an opacity of less than or equal to 20%. *See* Minn. R. 7011.0715, Subpart 1(B).
13. The Title V Permit provisions for EU003 Auto Shredding (EU003) require that Gerdau keep the main hammermill spray line pressure greater than or equal to 4 pounds per square inch (psi). *See* Minn. R. 7007.0800.
14. The Title V Permit provisions for EU003 require that Gerdau keep the main hammermill spray line flow rate greater than or equal to 6 gallons per minute (gpm). *See* Minn. R. 7007.0800.
15. The Title V Permit provisions for EU003 require that Gerdau keep the venturi water pressure greater than or equal to 17 psi. *See* Minn. R. 7007.0800.
16. The Title V Permit provisions for EU003 require that Gerdau keep the venturi flow rate greater than or equal to 409 gpm. *See* Minn. R. 7007.0800.
17. The Title V Permit provisions for EU003 require that Gerdau keep the demister water pressure greater than or equal to 19 psi. *See* Minn. R. 7007.0800.

18. The Title V Permit provisions for EU003 require that Gerdau keep the demister flow rate greater than or equal to 289 gpm. See Minn. R. 7007.0800.
19. On August 30, 2016, EPA conducted off-site opacity readings of visible emissions from the Auto Shredding stack (SV003), from 9:57 am to 10:57 am local time, according to 40 C.F.R. Part 60, Appendix A, Reference Method 9 - Visual determination of the opacity of emissions from stationary sources (Method 9). From the analysis of the Method 9 readings, EPA discovered seven 6-minute average exceedances of the 20% opacity limit at the SV003, with the highest 6-minute average opacity reading of 36.5%.
20. On September 1, 2016, EPA conducted Method 9 readings at SV003, from 10:05 am to 10:58 am, local time. The analysis of the Method 9 readings found that during this time there were six 6-minute average exceedances of the 20% opacity limit at SV003, and the highest 6-minute-average opacity reading was 43.5%.
21. Gerdau submitted a deviation report dated April 29, 2016, and covering the reporting period of January 1, 2016 through March 31, 2016, to the MPCA.
22. Gerdau submitted a deviation report dated July 22, 2016, and covering the reporting period of April 1, 2016 through June 30, 2016, to the MPCA.

VIOLATIONS

23. On August 30, 2016, Gerdau violated the Minnesota SIP at Minnesota Rule 7011.0715 and its Title V Permit by failing to limit emissions from the EU003 to less than 20% opacity.
24. On September 1, 2016, Gerdau violated the Minnesota SIP at Minnesota Rule 7011.0715 and its Title V Permit by failing to limit emissions from the EU003 to less than 20% opacity.
25. On its quarterly deviation report submitted to the MPCA for the period of January 1, 2016 through March 31, 2016, Gerdau reported the following violations of 40 C.F.R. § 64.3, Minnesota Rule 7007.0800, Subparts 2 and 14, and its Title V Permit for EU003.

Parameter	Reading Reported	Permit Limit	Title V Permit Requirement Citation	Date of Violation
Demister spray line flow rate	2 gal/min	≥ 289 gal/min	40 C.F.R § 64.3 and Minnesota Rule 7007.0800, Subparts 2 and 14	2/1/16
Venturi water flow rate	34 gal/min	≥ 409 gal/min	40 C.F.R § 64.3 and Minnesota Rule 7007.0800, Subparts 2 and 14	2/23/16
Venturi water pressure	15 lb/in ²	17 lb/in ²	40 C.F.R § 64.3 and Minnesota Rule 7007.0800, Subparts 2 and 14	2/23/16

Demister spray line flow rate	28 gal/min	≥ 289 gal/min	40 C.F.R § 64.3 and Minnesota Rule 7007.0800, Subparts 2 and 14	2/23/16
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26. On its quarterly deviation report submitted to the MPCA for the period of April 1, 2016 through June 30, 2016, Gerdau reported the following monitoring violations of 40 C.F.R. § 64.3, Minnesota Rule 7007.0800, Subparts 2 and 14, and its Title V Permit for EU003.

Parameter monitored	Dates of missed record
Venturi spray line flow rate	5/4/16, 6/2/16, 6/8/16, 6/13/16
Venturi spray line pressure	5/4/16, 6/2/16, 6/8/16, 6/13/16
Demister spray line pressure	4/19/16, 5/4/16, 6/2/16, 6/8/16, 6/13/16
Demister spray line flow rate	4/19/16, 5/4/16, 6/2/16, 6/8/16, 6/13/16

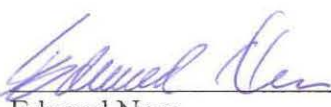
ENVIRONMENTAL IMPACT OF VIOLATIONS

27. These violations have caused or can cause excess emissions of particulate matter. Particulate matter, especially fine particulate, contains microscopic solids or liquid droplets that can get deep into the lungs and cause serious health problems. Particulate matter exposure contributes to:

- irritation of the airways, coughing, and difficulty breathing;
- decreased lung function;
- aggravated asthma;
- chronic bronchitis;
- irregular heartbeat;
- nonfatal heart attacks; and
- premature death in people with heart or lung disease.

Date

10/24/16


Edward Nam
Acting Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice of Violation, No. EPA-5-17-MN-01, by

Certified Mail, Return Receipt Requested, to:

John Skelley
Gerdau Ameristeel
1678 Red Rock Road
St. Paul, MN 55119

I also certify that I sent copies of the Notice of Violation by first-class mail to:

Sarah Kilgriff, Manager
Minnesota Environmental Protection Agency
520 Lafayette Road N
St. Paul, MN 55155

On the 25 day of October 2016.



Loretta Shaffer
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 76675963